

Memorandum



Subject Interview with [REDACTED]

Date June 3, 1996

60-2096-0002

To Nina Hale (Frito-Lay)

From Neeli Ben-David

b4, b7D

distribution:

RWF, DNK, HALE, PTACEK, ALEXANDER - EAG, SWEENEY, JONES, BEN-DAVID, CASE, CHRON, ARCHIVE

b7D

Typically, this is paid on a quarterly or monthly basis.

For example, Frito has a national contract with [REDACTED] which include rebates and additional compensation per increase in sales. Frito has similar arrangements with airport concession stands [REDACTED]

b 7D

[REDACTED]

[REDACTED] estimated that Frito had about [REDACTED] of all shelf space in stores (gondola only). Convenient stores and gas stations are even more of a problem than grocery chains. Often, grocery chains will keep stocking [REDACTED] products because of customer demand. However, convenient stores and gasoline chains (e.g., Exxon, Chevron, Shell, Texaco) are more willing to enter into exclusive dealing arrangements with Frito. [REDACTED]

[REDACTED] speculated that Frito paid cash up front for these arrangements, and that it had written, one- and two-year contracts with the stores (even though he doubts that the exclusivity is actually written in).

So/So # 11165